

May 2025

The Economic Landscape

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Chamber of Commerce
and Industry WA



Overview



The global economy



The local economy



What comes next



Chamber of Commerce
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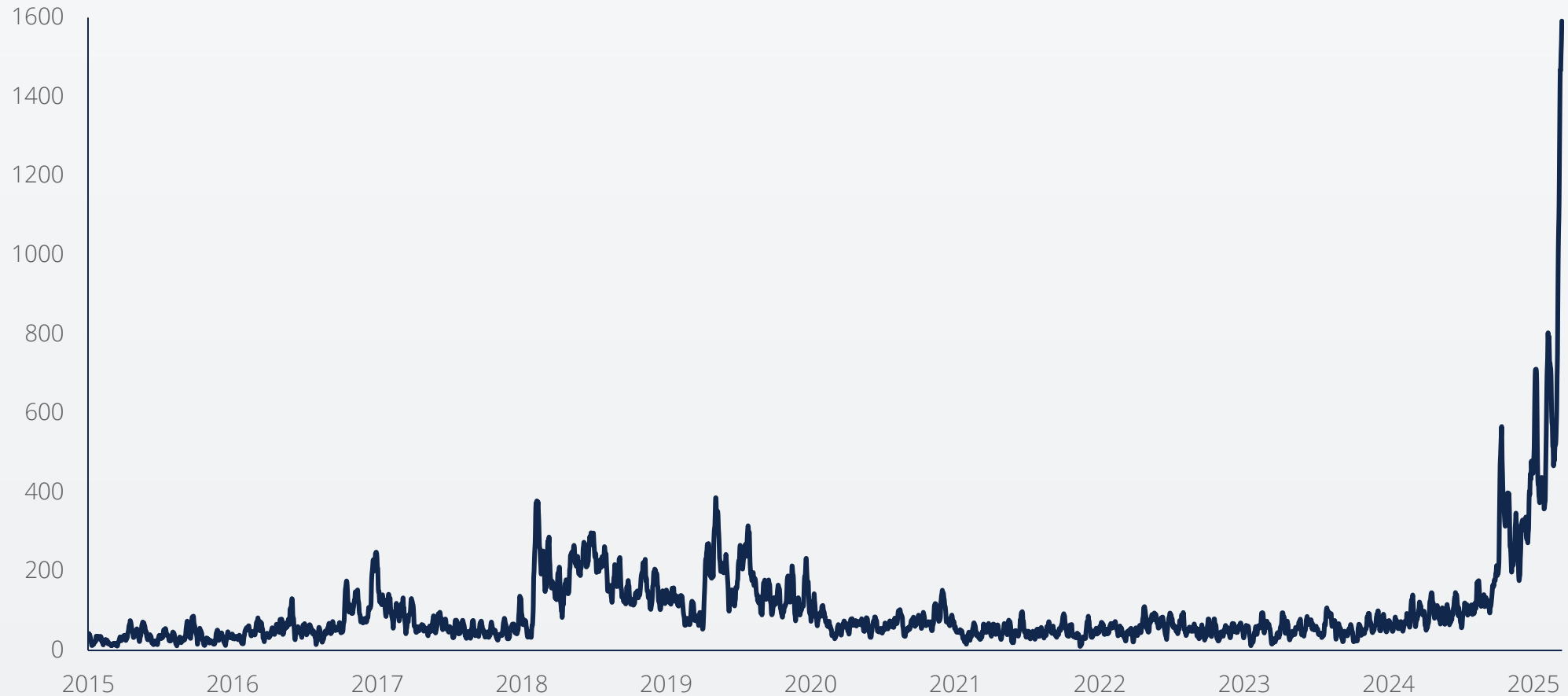
The global economy



Chamber of Commerce
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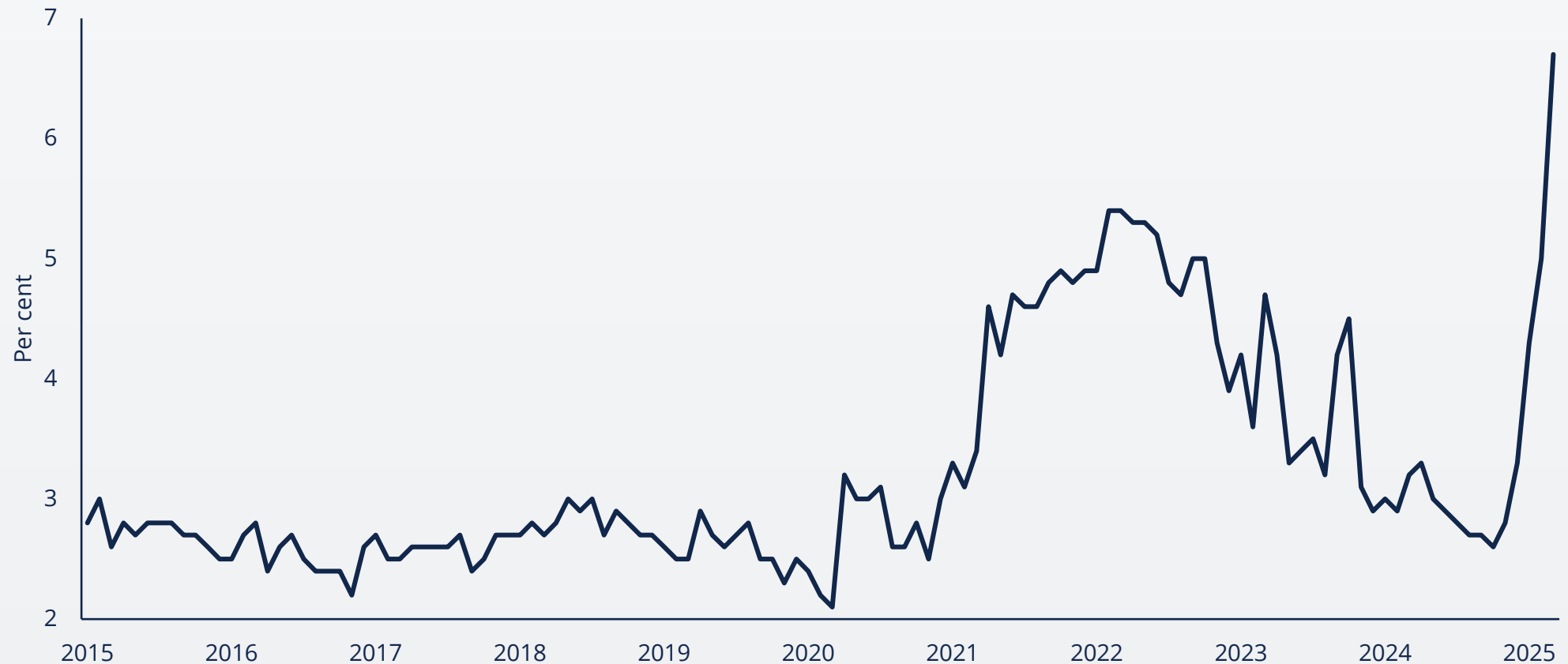
Global Challenge One

Trade Policy Uncertainty Index

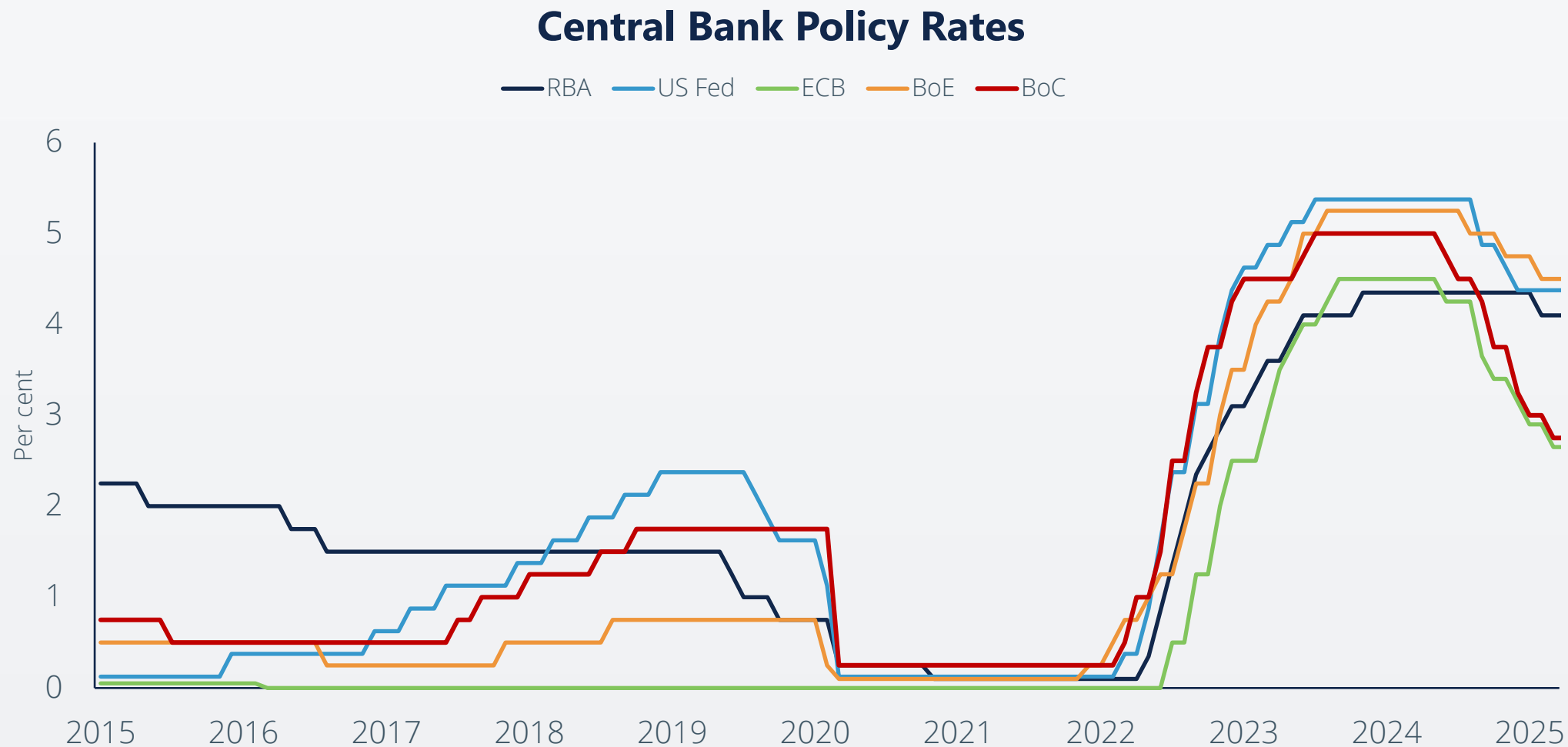


Bracing for inflationary surge

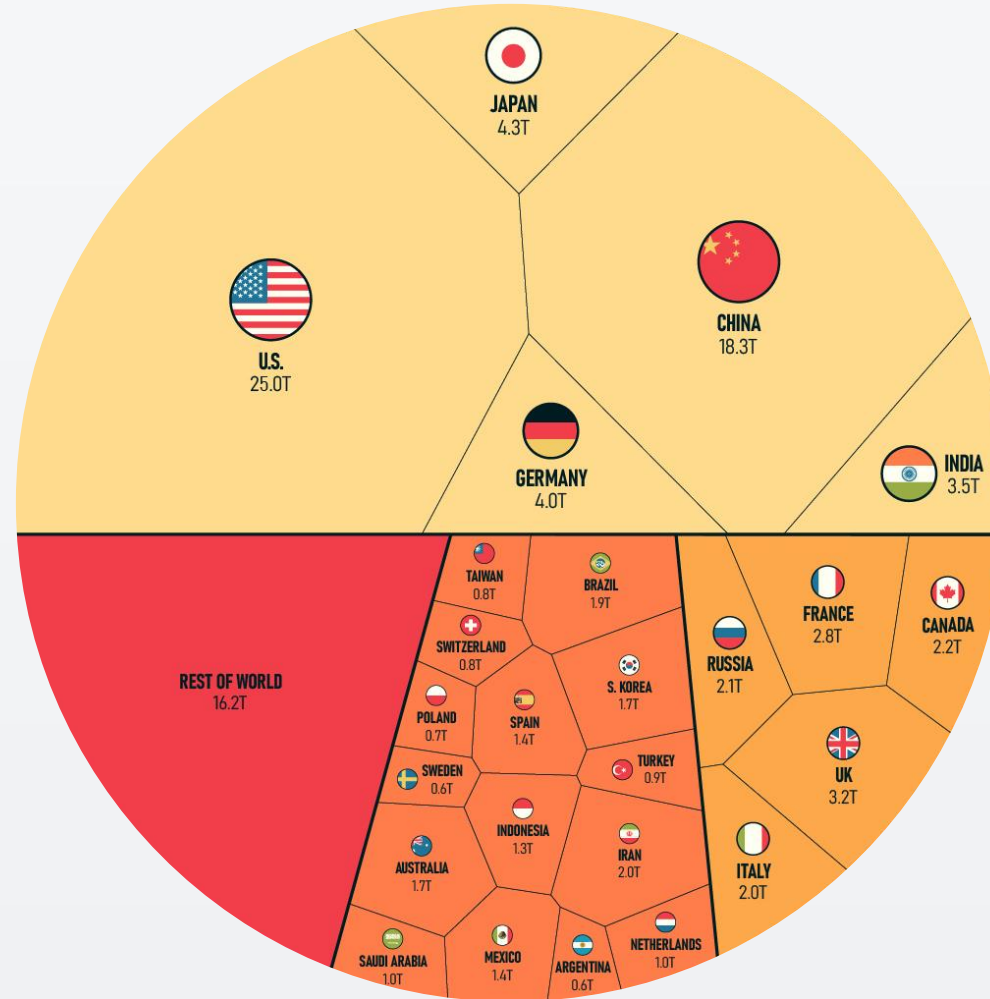
US 1-year inflation expectations



Central Bank Policy Rates

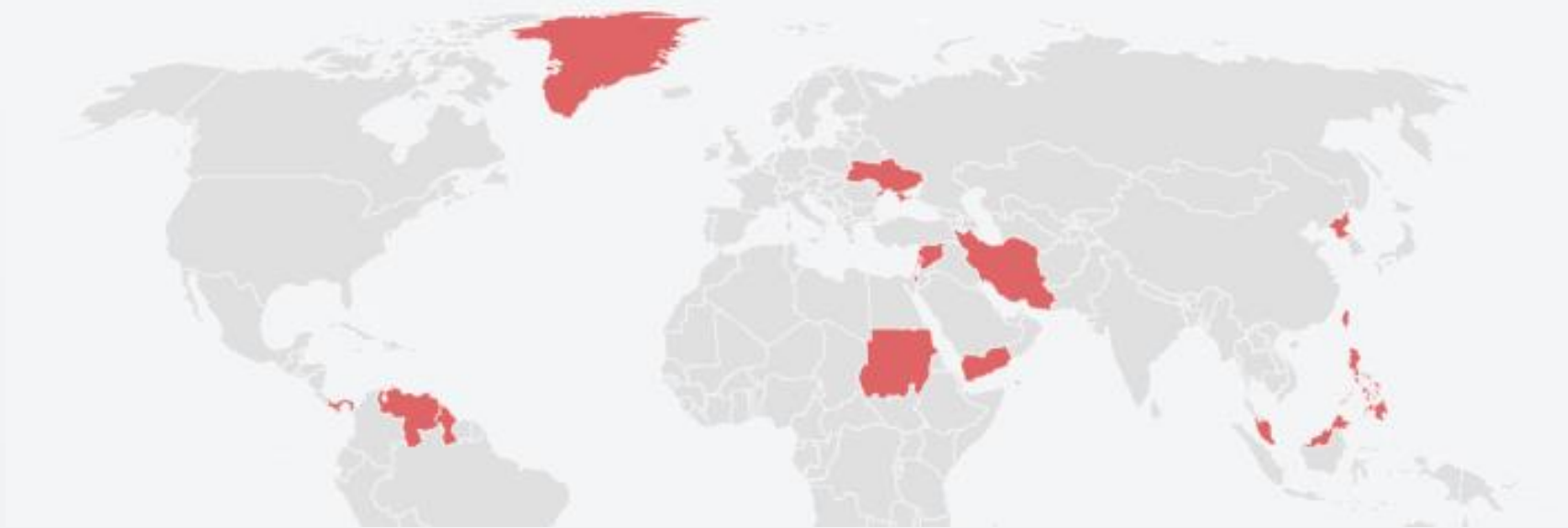


The big gorillas



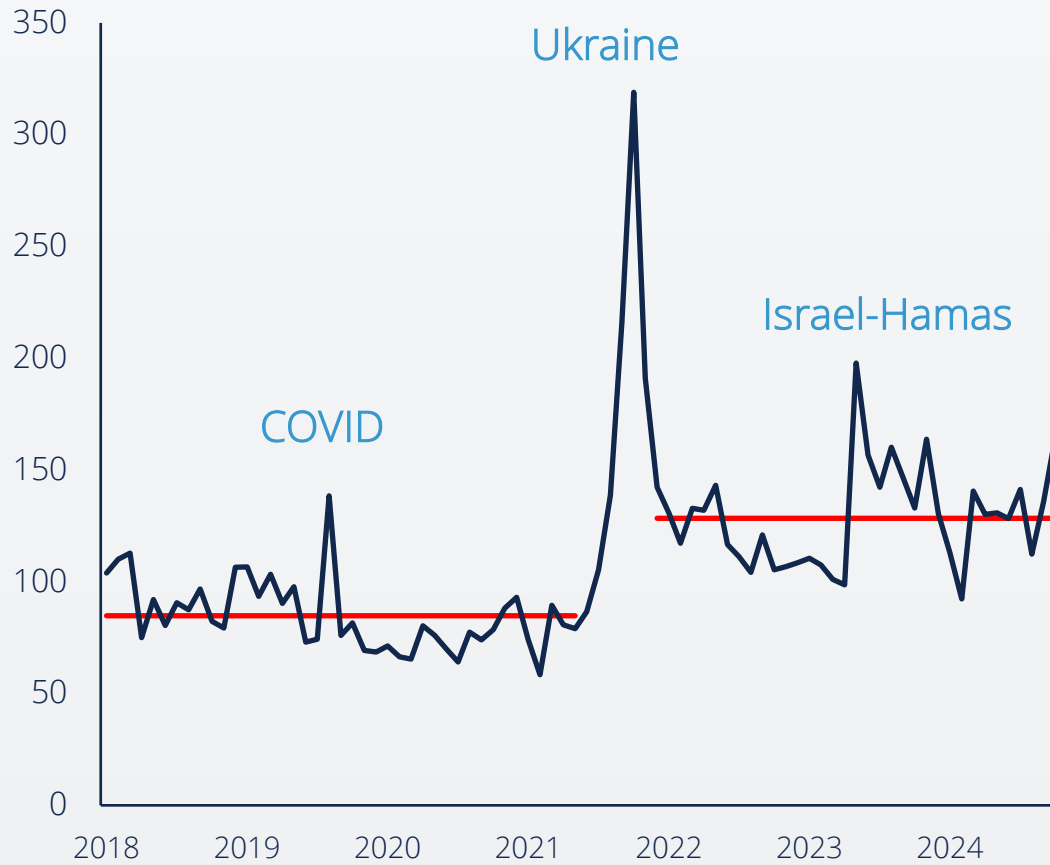
Global Challenge Two

Ongoing conflict

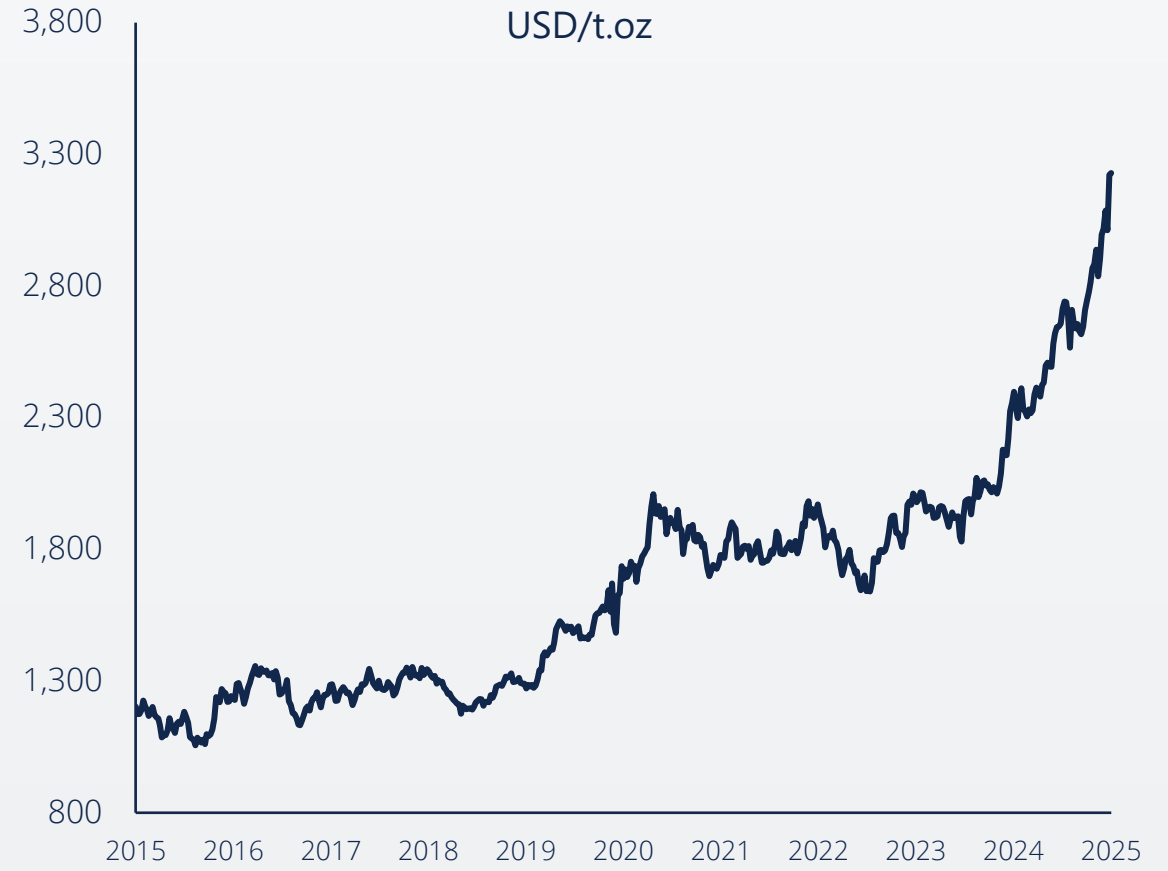


A more volatile world

Geopolitical Risk Index

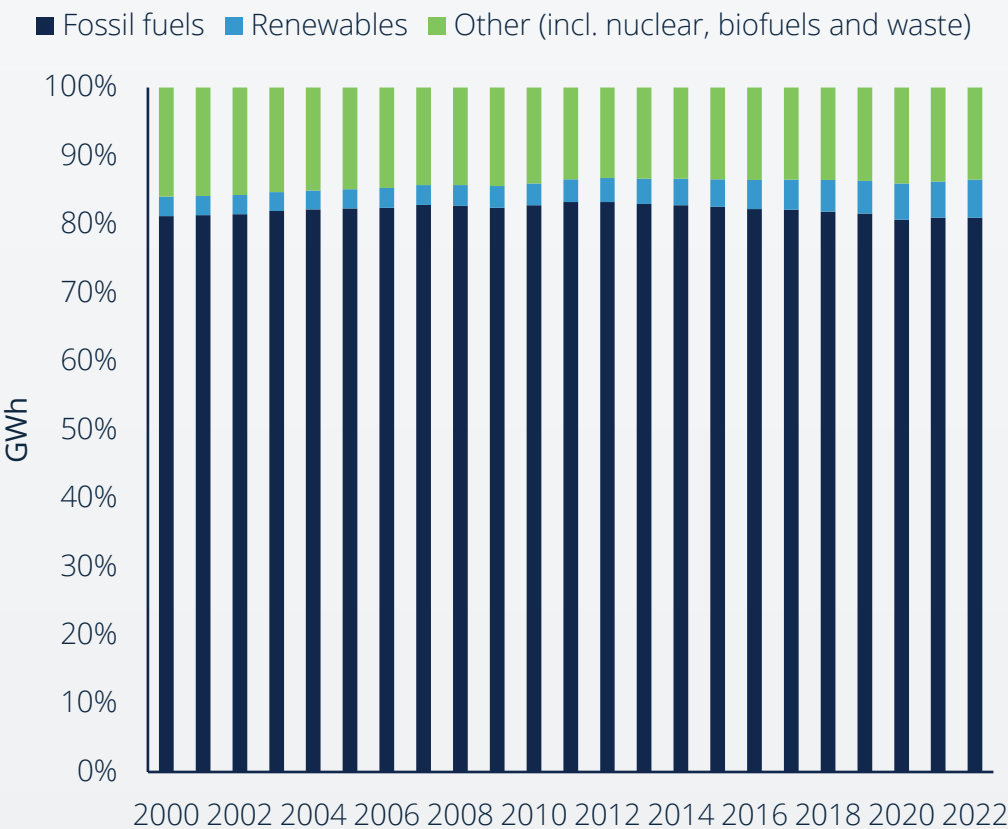


Gold Price

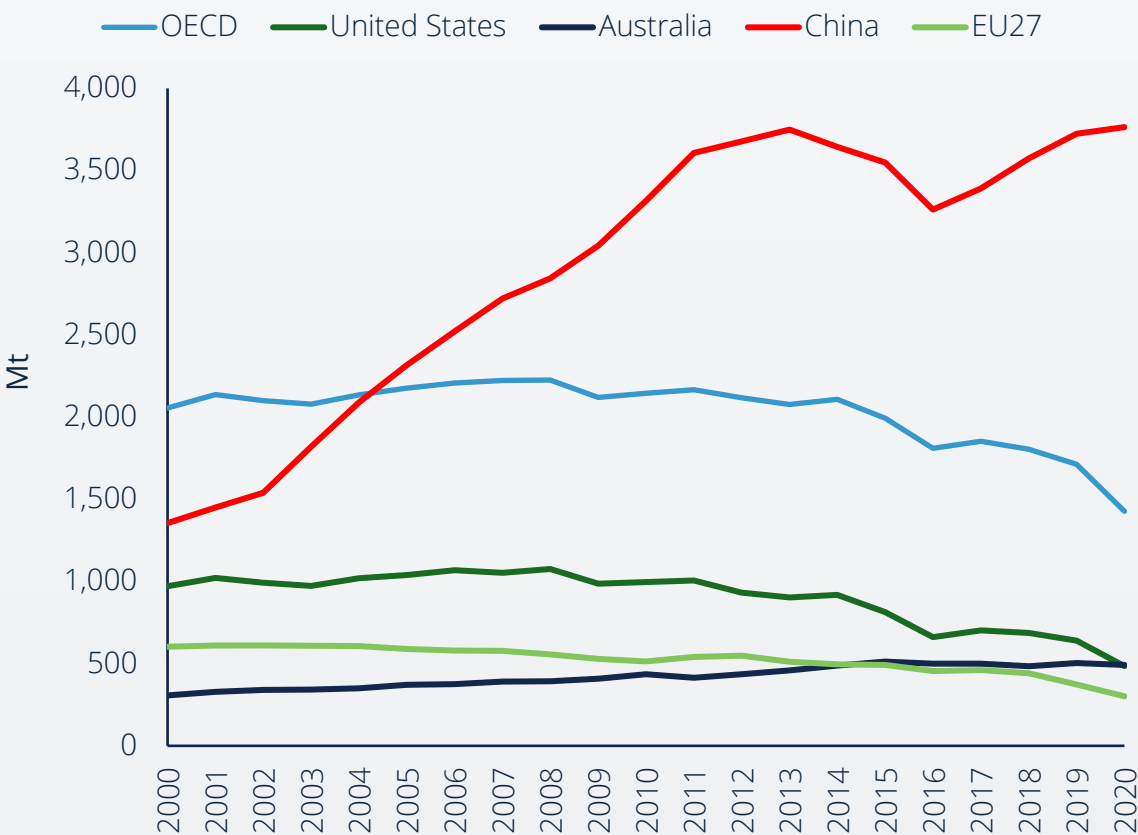


Energy Mix

World Energy Supply

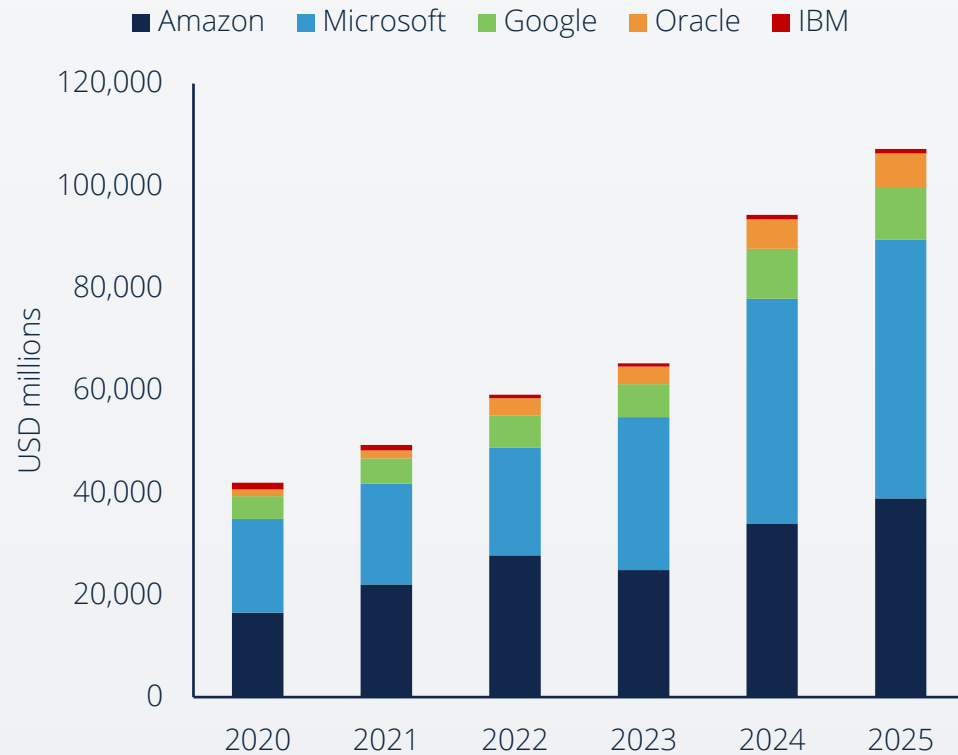


Coal Production

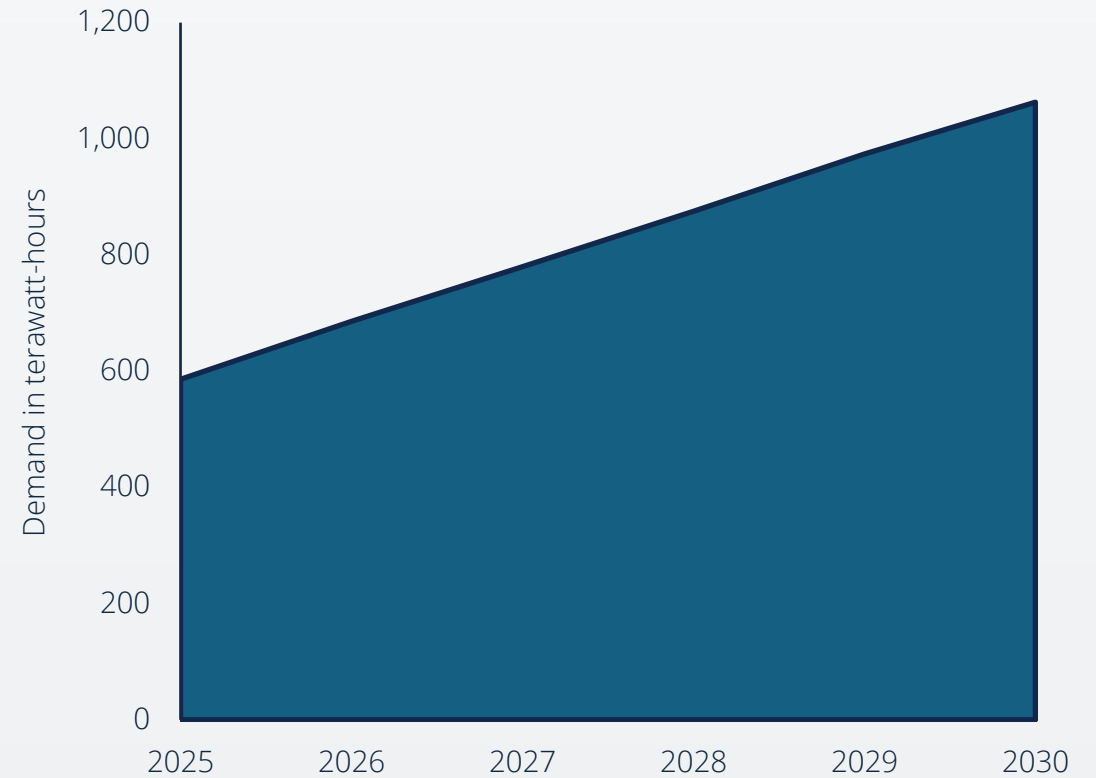


AI

Cloud related CAPEX of Hyperscalers



Datacenter Power Consumption (TWh)





The local economy

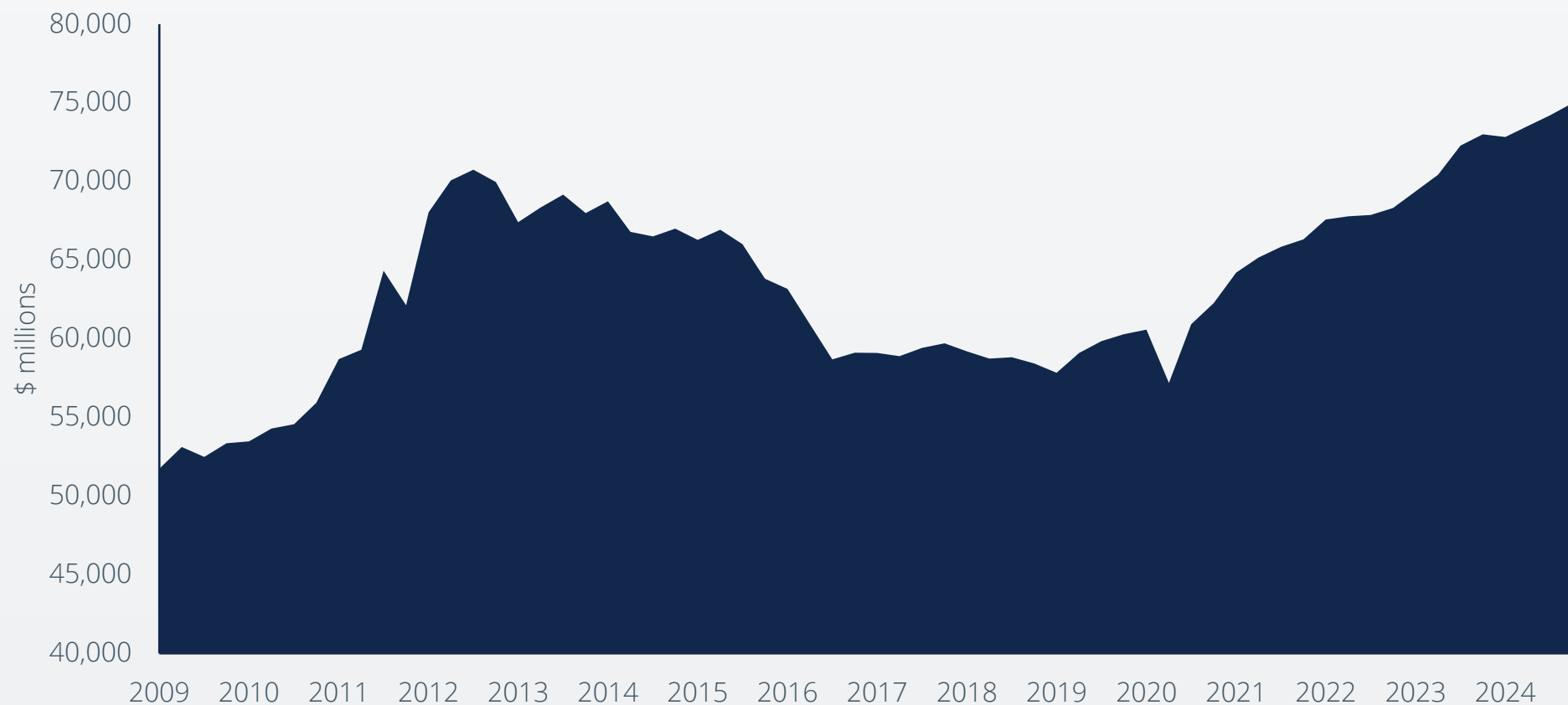
Part 1 : Business conditions



An economy that won't quit

Size of WA's Domestic Economy

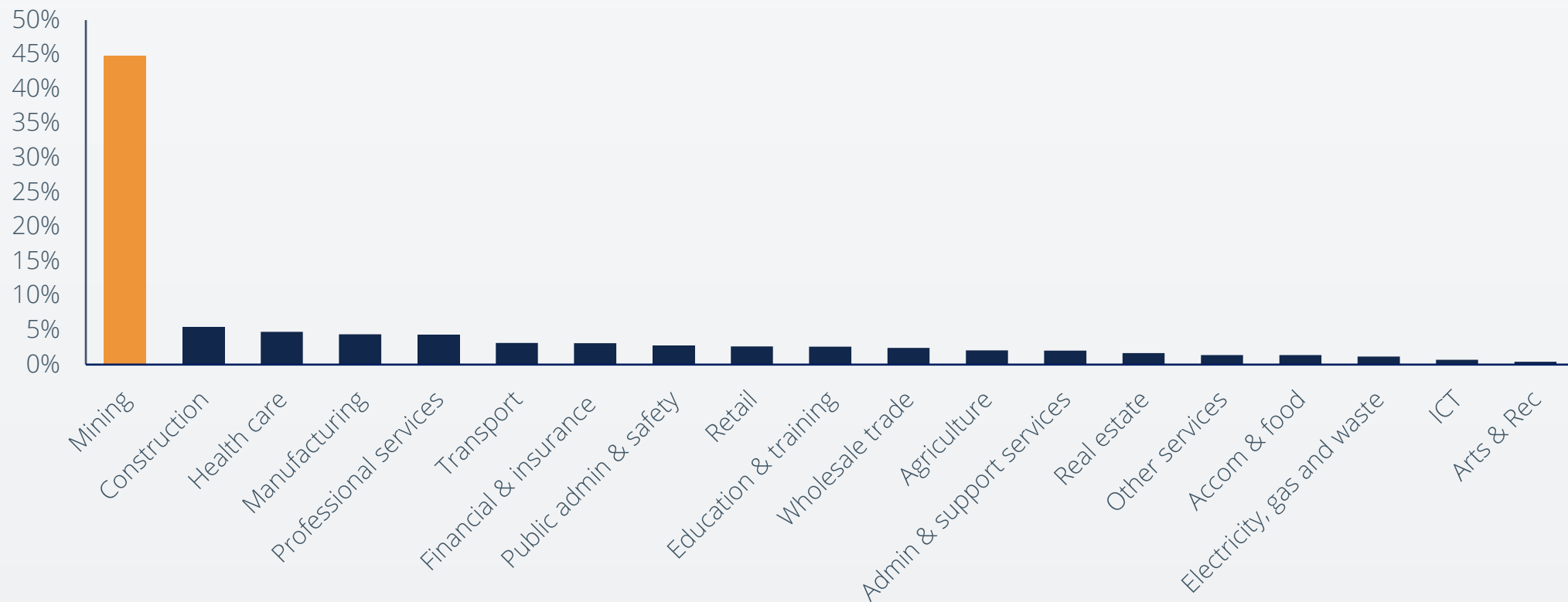
State Final Demand, Quarterly



Breaking down WA's economy

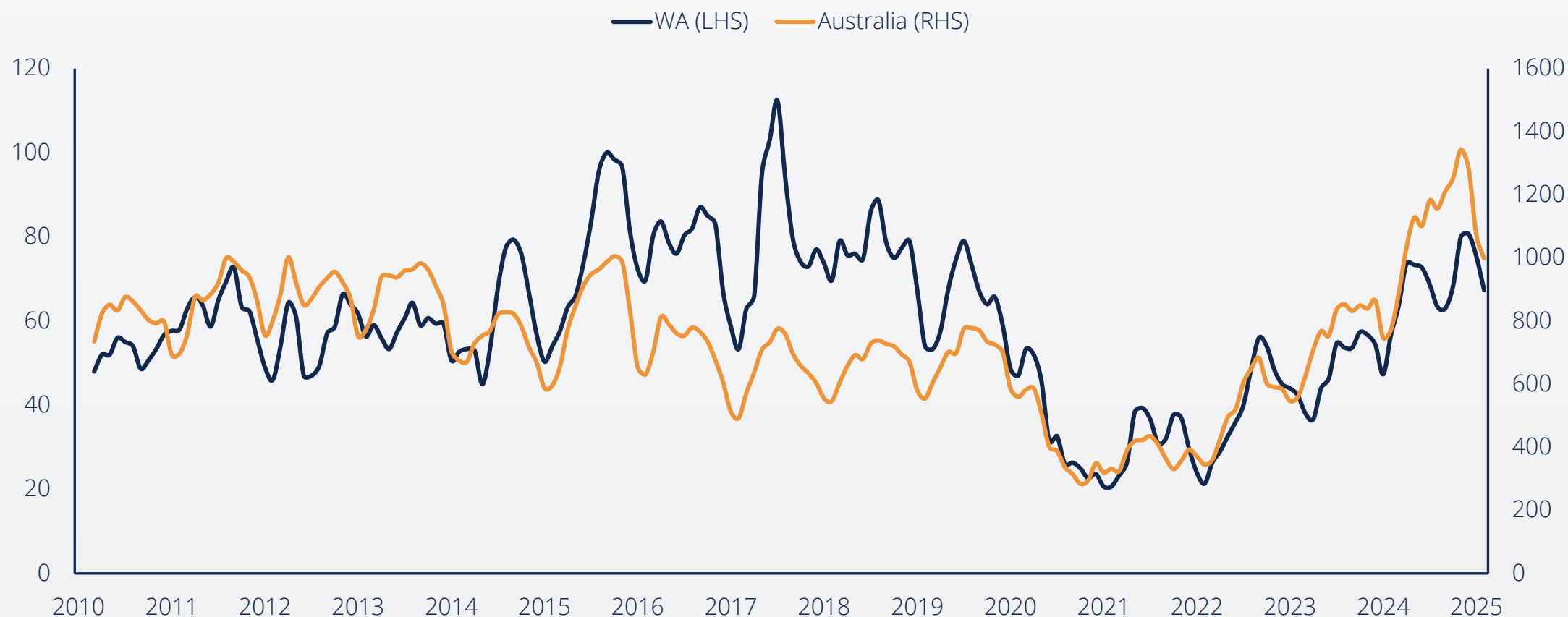
What makes up WA's economy?

2023-24, nominal GVA



Business insolvencies rising

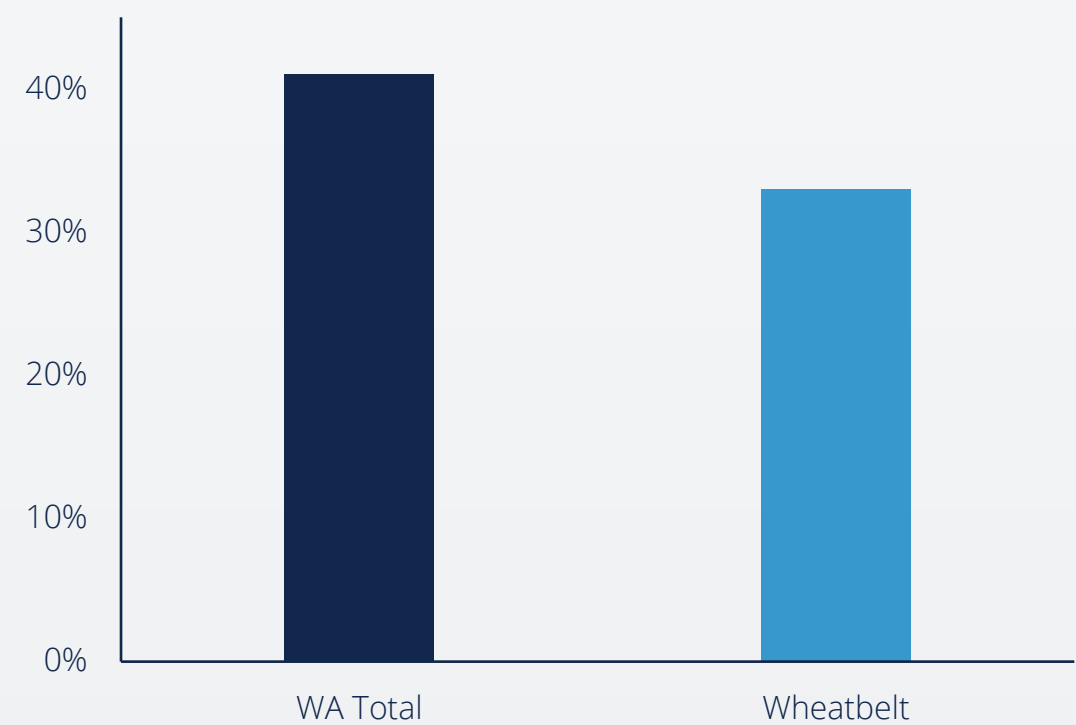
Business Insolvencies
Monthly, 3 month moving average



Business Confidence in the Wheatbelt

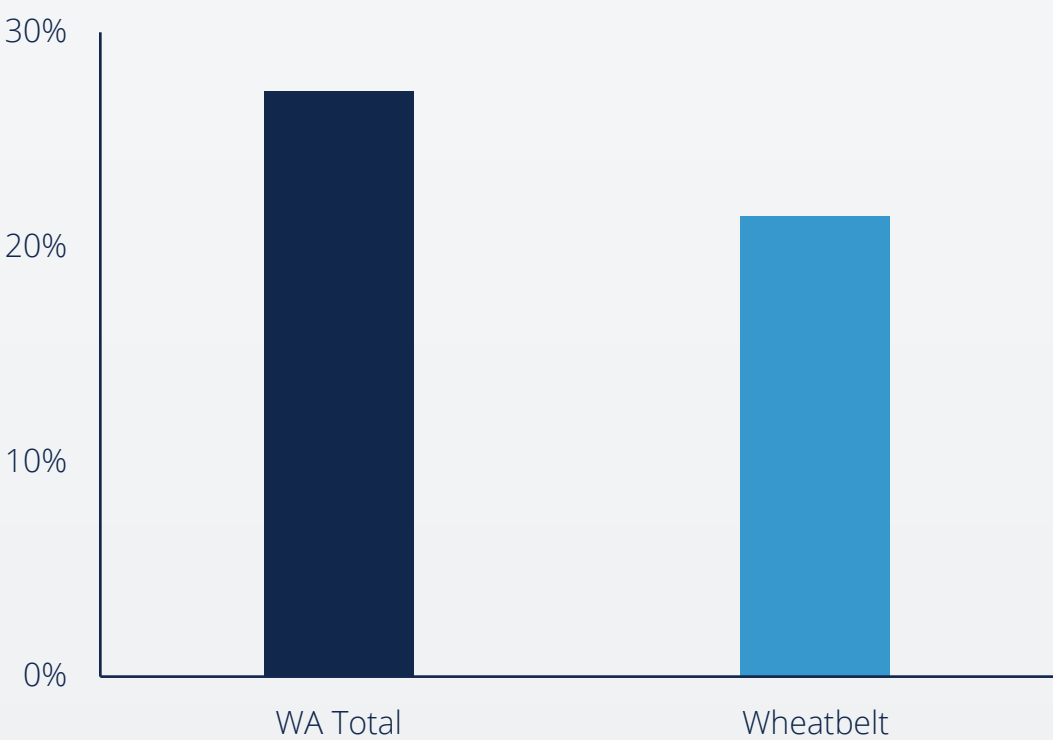
Next three months

Proportion expecting 'stronger' conditions



Next twelve months

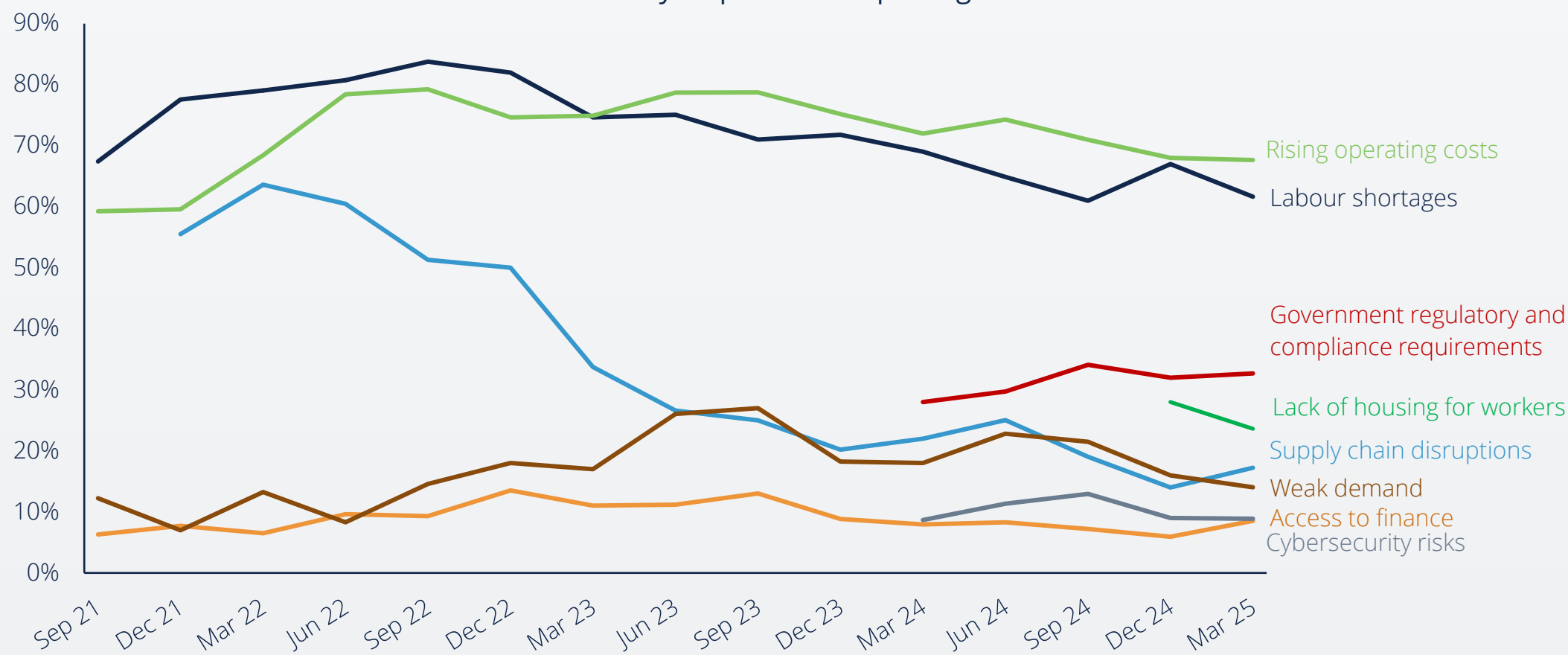
Proportion expecting 'stronger' conditions



Businesses not without challenges...

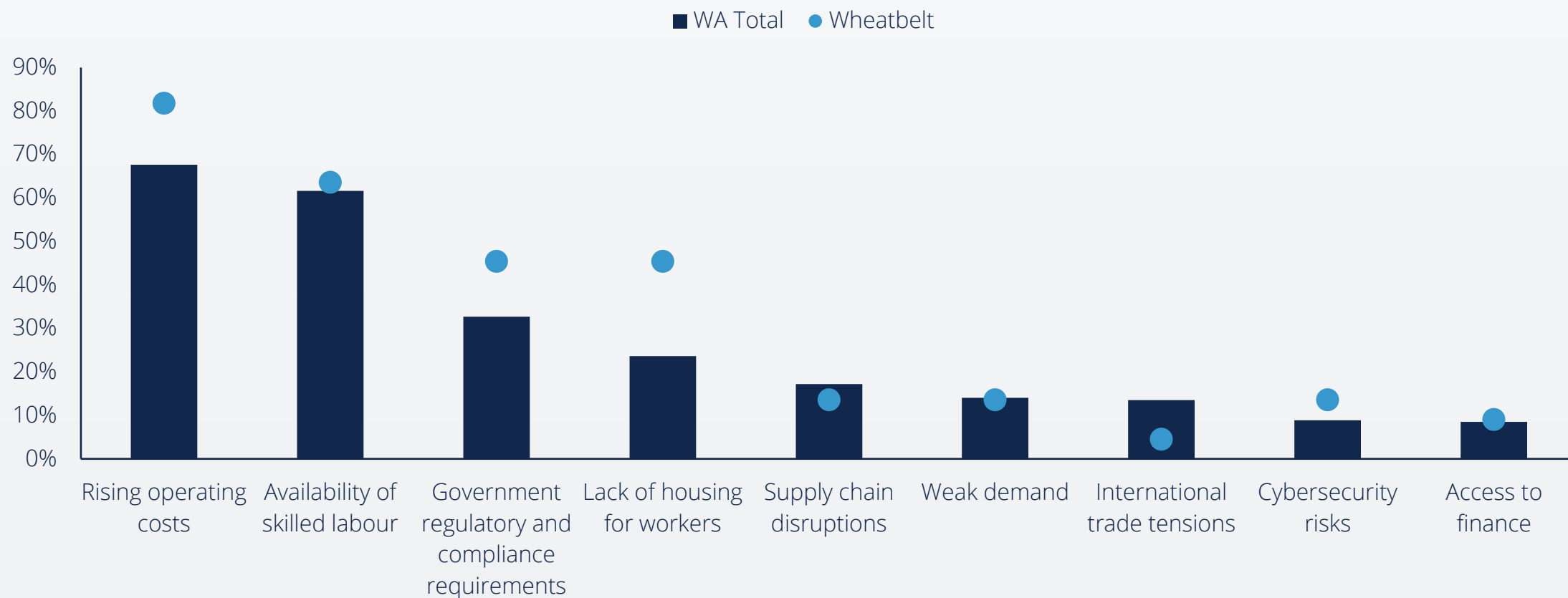
Barriers to Business Growth

% of survey respondents reporting barrier



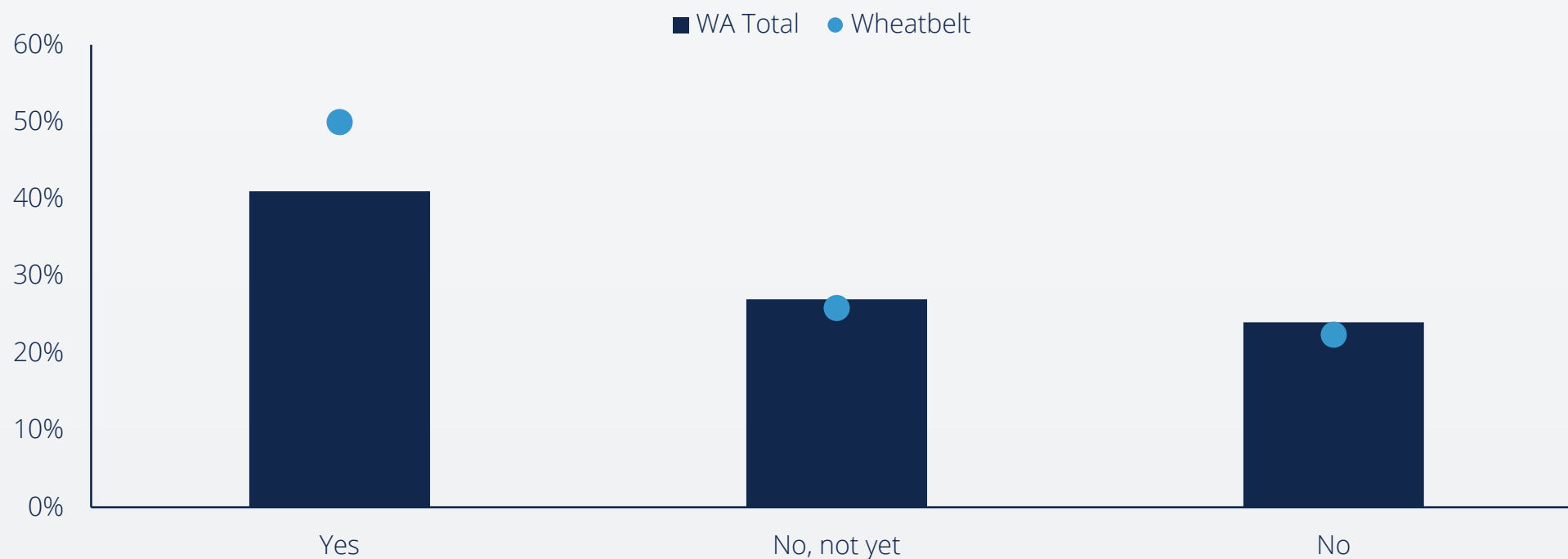
Costs more acute

Barriers to business - next 12 months



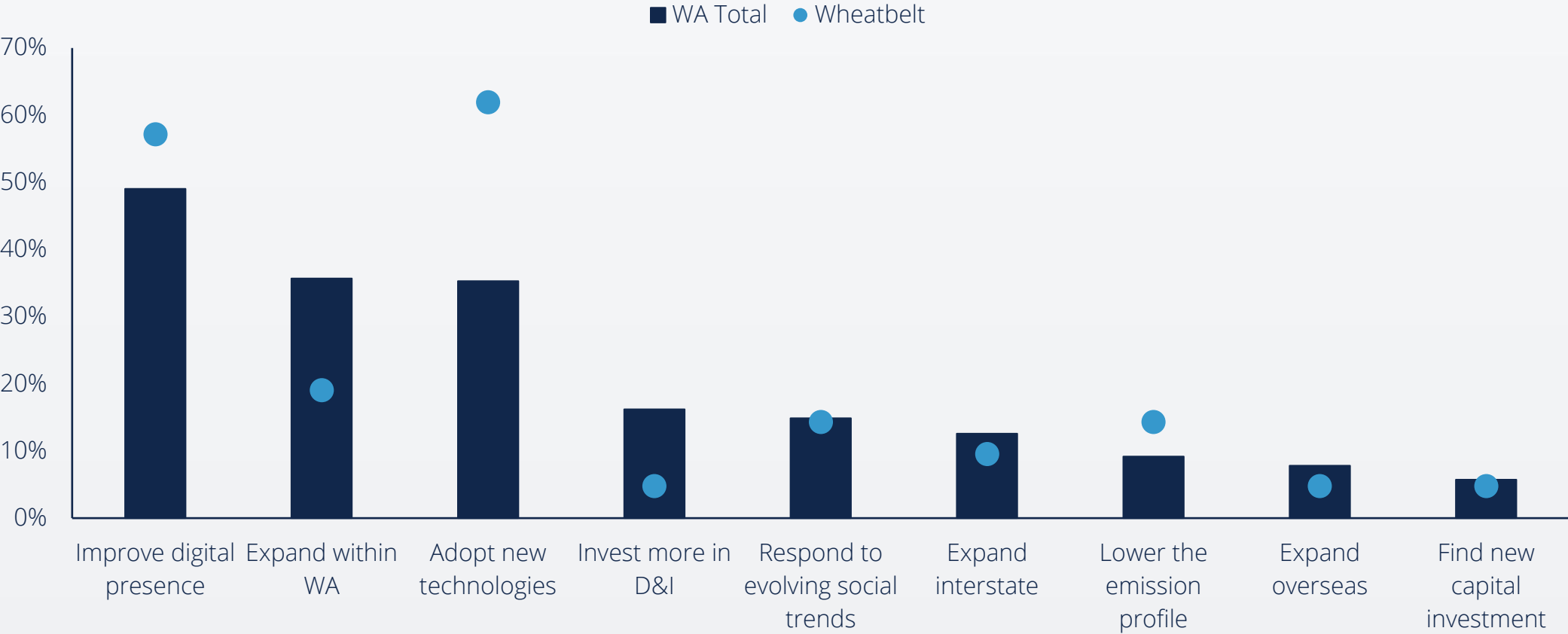
Housing shortages

Are housing shortages hurting your ability to hire or retain staff?



Business plans

Business plans - 12 months



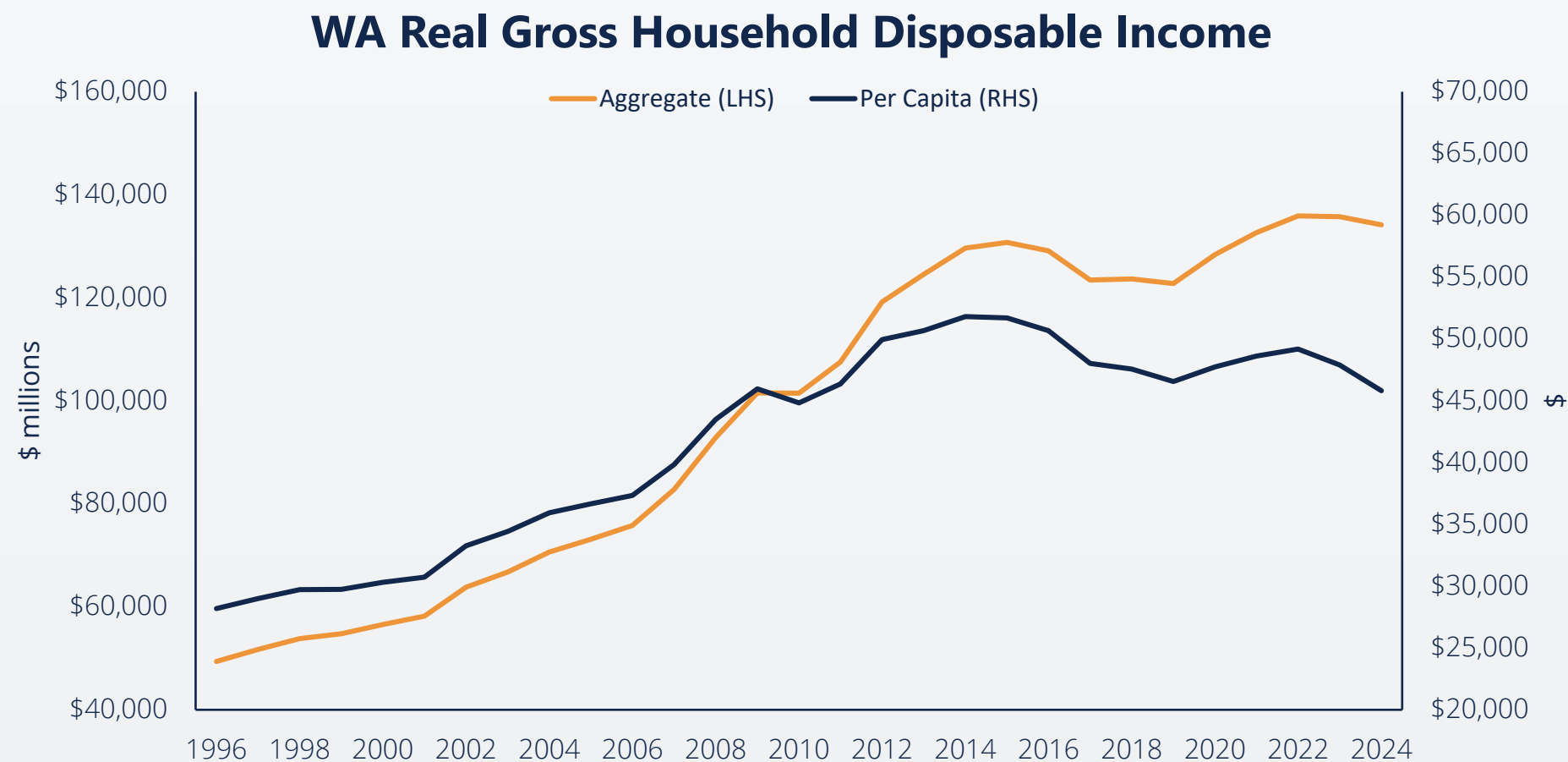


The local economy

Part 2 : Households and Housing

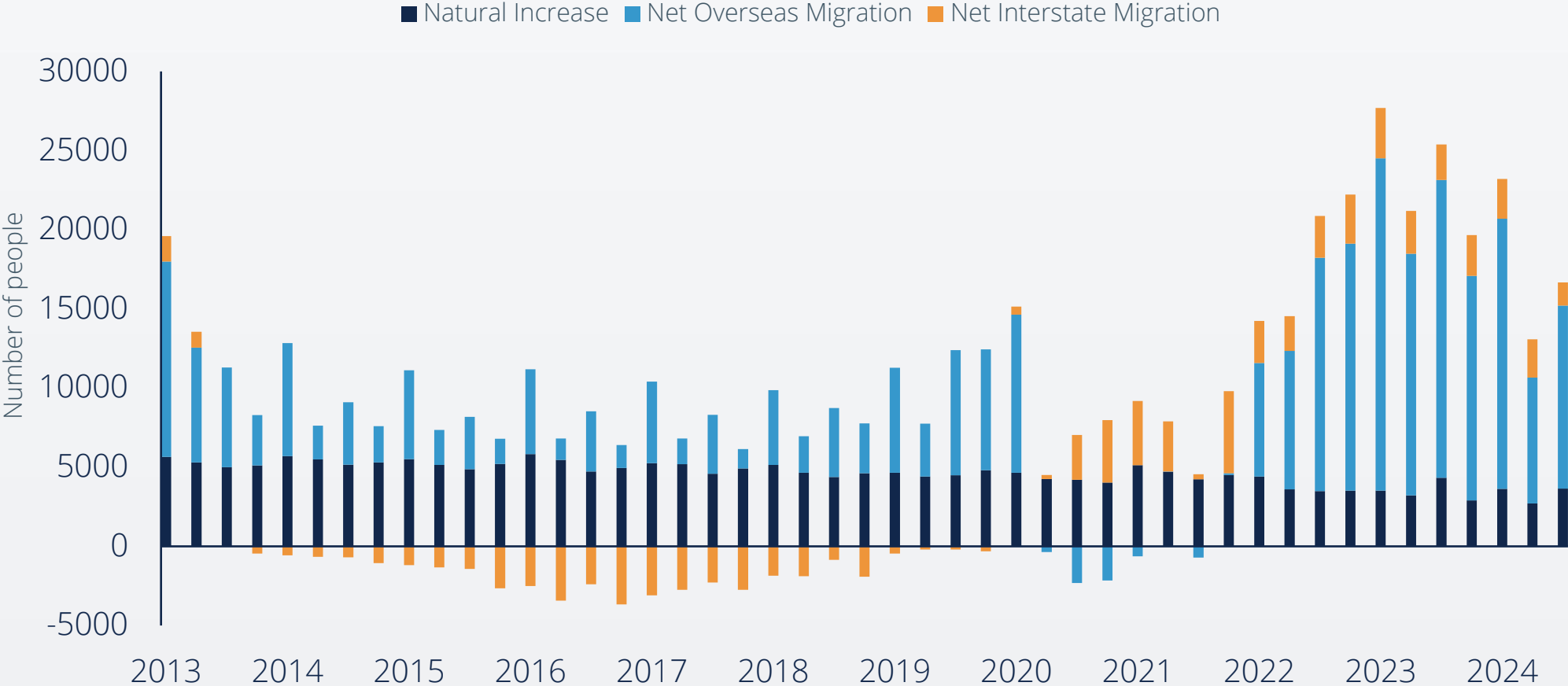


Disposable income



Population picture

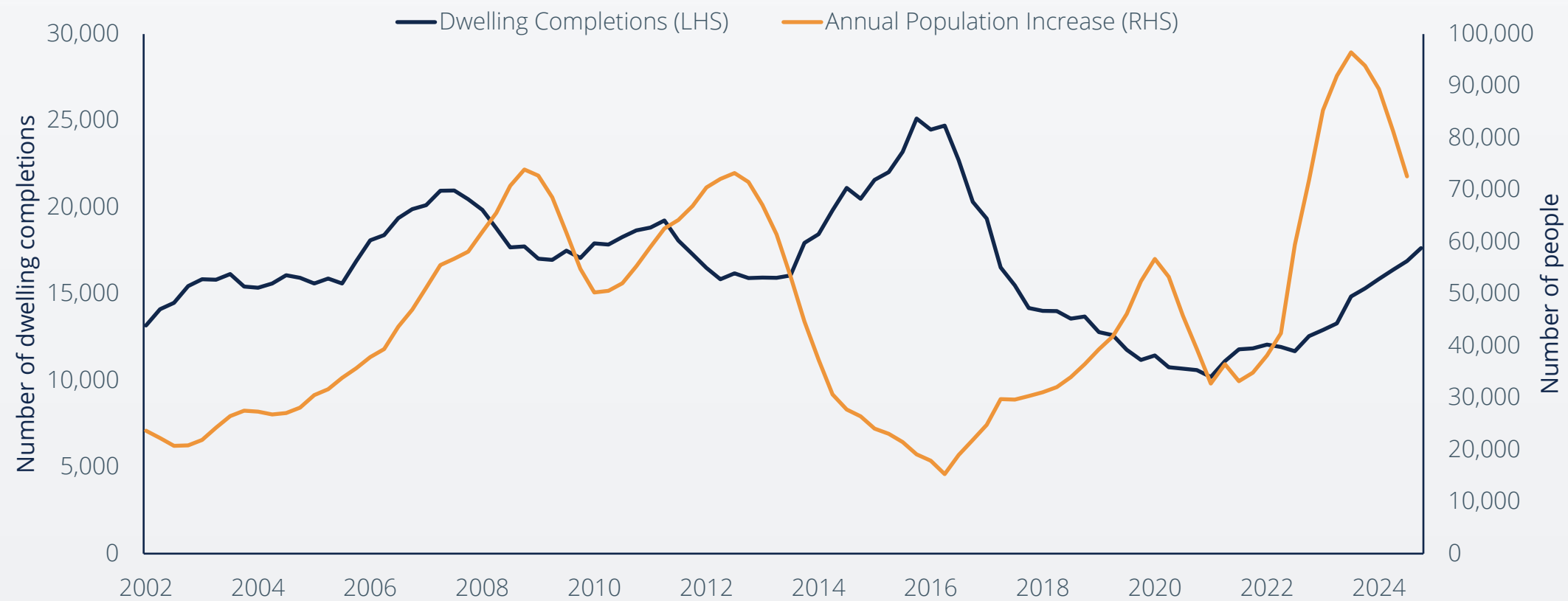
Quarterly Population Growth - WA



Housing sector running hot

Home Construction and Population Growth

Western Australia, rolling 12 months



What comes next



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Trump Reloaded



Growth – deglobalisation detracting from growth



Dollar – Tailwind to WA budget & exports, headwind to imports



Defence – More military spending



China – Export sector under pressure



Key calls on the domestic economy



A solid economy – Strong exposure to global mega-trends



Slowly improving labour market – Ongoing war for talent



Tight housing – No quick fix to the supply-demand imbalance



Strong diversification play – defence, life sciences, space

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